

Deputy Directors  
FRANCIS PAUL KEENO  
BARRY FUKUNAGA  
BRENNON T. MORIOKA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

**STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097**

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

**CONSENT TO SUBLEASE RETAIL CONCESSION  
DFS GROUP L.P. TO ISLAND SHOPPERS, INC.  
KAHULUI AIRPORT**

MAUI

The Department of Transportation (DOT) is seeking the Board's consent for a sublease between the concessionaire under the Retail Concession Agreement at Kahului Airport and Island Shoppers, Inc.

PURPOSE:

To sublease a portion of the concession premises.

LEGAL REFERENCE:

Chapters 102 and 171, Hawaii Revised Statutes, as amended.

LESSEE/SUBLESSOR (APPLICANT):

DFS Group, L.P.

SUBLEASE:

Island Shoppers, Inc., a Disadvantaged Business Enterprise (DBE).

LOCATION AND TAX MAP KEY:

Kahului Airport, Terminal Complex 2<sup>nd</sup> Division, 3-8-001-019  
Kahului Airport, Island of Maui, Hawaii

ZONING:

State: Urban  
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) and 5(b), Hawaii Admission Act  
DHHL 30% entitlement lands: Yes \_\_\_\_\_ No X

CONCESSION AGREEMENT TERM AND PREMISES:

Concession Agreement No. DOT-A-06-0007 for the Retail Concession at Kahului Airport will begin on September 1, 2006 and continue through August 31, 2011.

Area is comprised of the following:

Building 321, Space No. 108A  
Building 330, Space No. 201, 202, 204, 205, 206 and 207B  
Building 340, Space No. 101 and 106A

SUBLEASE TERM AND PREMISES:

Term commences on September 1, 2006 and continues through the end of the Concession Agreement term.

Area is comprised of Building 330, Space No. 201 & 202 (portion) and Building 321, Space No. 108A (portion) and all of Space No. 203 in Building 344 (proposed shop).

USE:

Retailing, selling and merchandising of only products Applicant may sell as provided for in the Concession Agreement.

CONCESSION FEE:

Through the end of the Concession Agreement term in August 31, 2011, the fee shall be the greater of the minimum annual guarantee of \$2.5 million or 20% of gross receipts.

SUBLEASE FEE:

As set forth in the Concession Agreement, Island Shoppers, Inc., (DBE) goal for the Concession is 15% of total gross receipts of the Concession.

IMPROVEMENTS:

Applicant is required to make improvements at no less than \$495,000.00, for the portion of the Premises comprising of the sales space. The space to be occupied by Island Shoppers, Inc. under the sublease is part of the sales space.


REMARKS:

Island Shoppers, Inc. is a Disadvantaged Business Enterprise (DBE), as defined in the Code of Federal Regulations, Title 49, Part 23, Subpart F and has been certified by DOT. Pursuant to federal law and DOT policy, DOT's goal is to encourage participation in airport concessions by DBE's. Applicant is satisfying its DBE goal, as defined in the Concession bid documents, by subletting a portion of the premises to a certified DBE.


RECOMMENDATION:

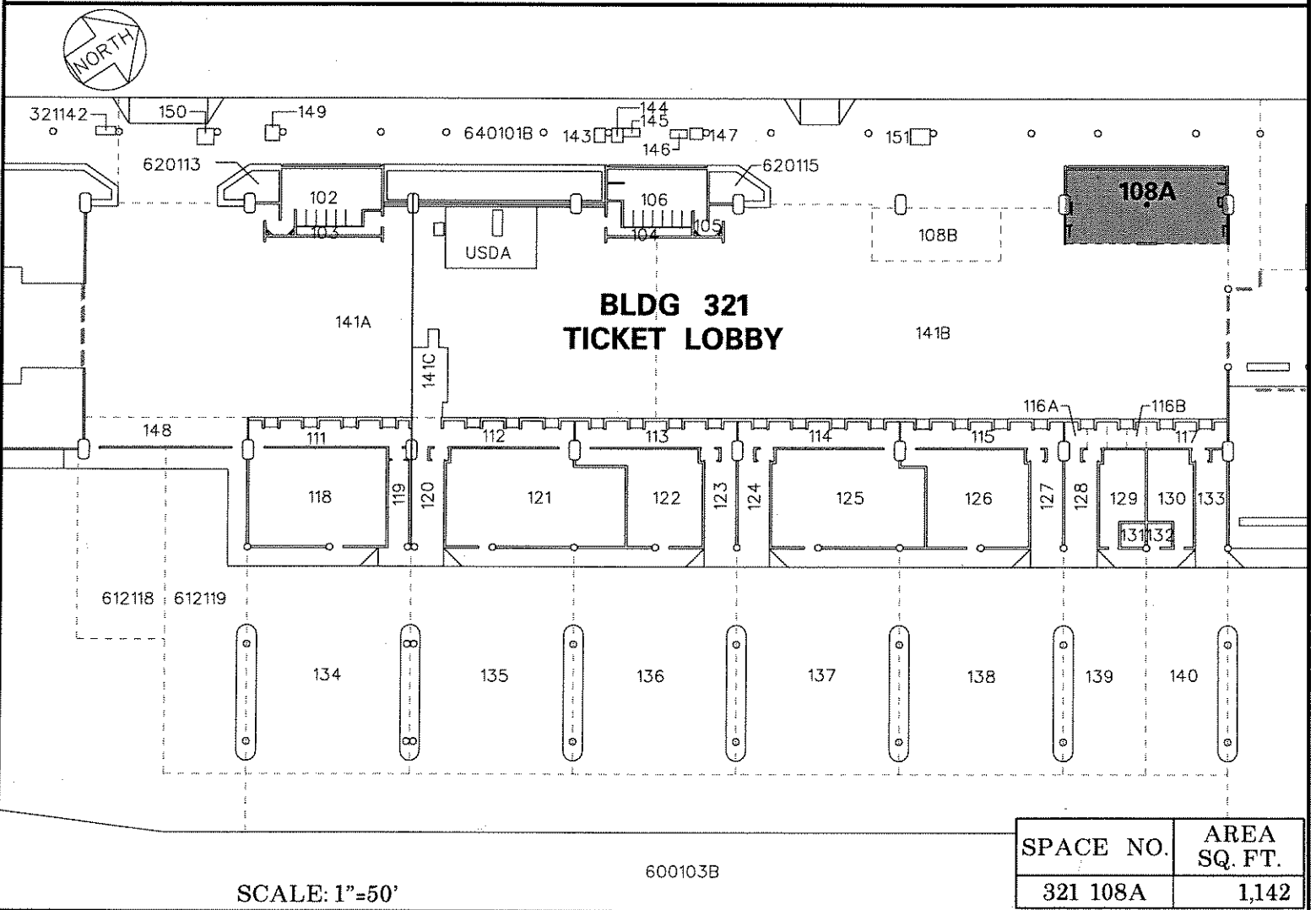
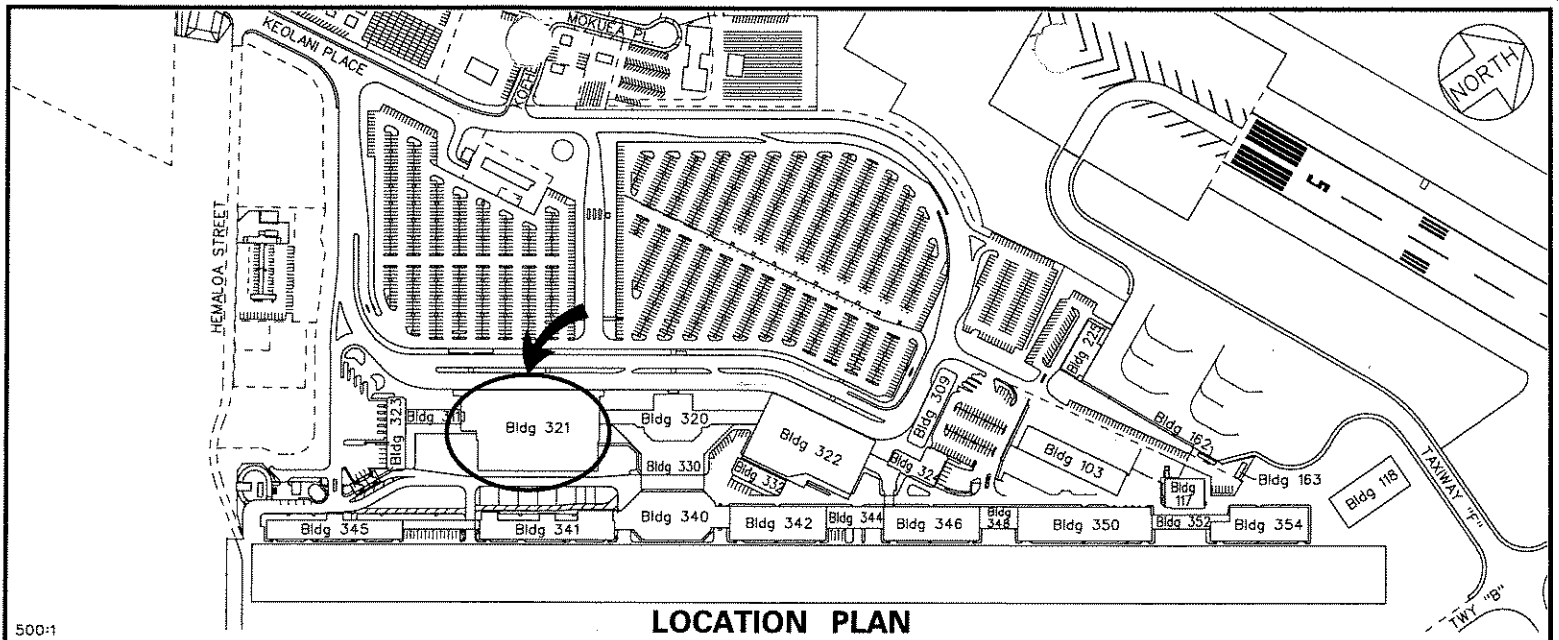
That the Board authorizes the DOT to consent to the sublease as hereinabove outlined and to grant a Consent to Sublease so that the DOT may proceed to process the consent to allow the sublease to be consummated, subject to the review and approval of the Department of the Attorney General.


Respectfully submitted,

  
RODNEY K. HARAGA  
Director of Transportation

APPROVED FOR SUBMITTAL:

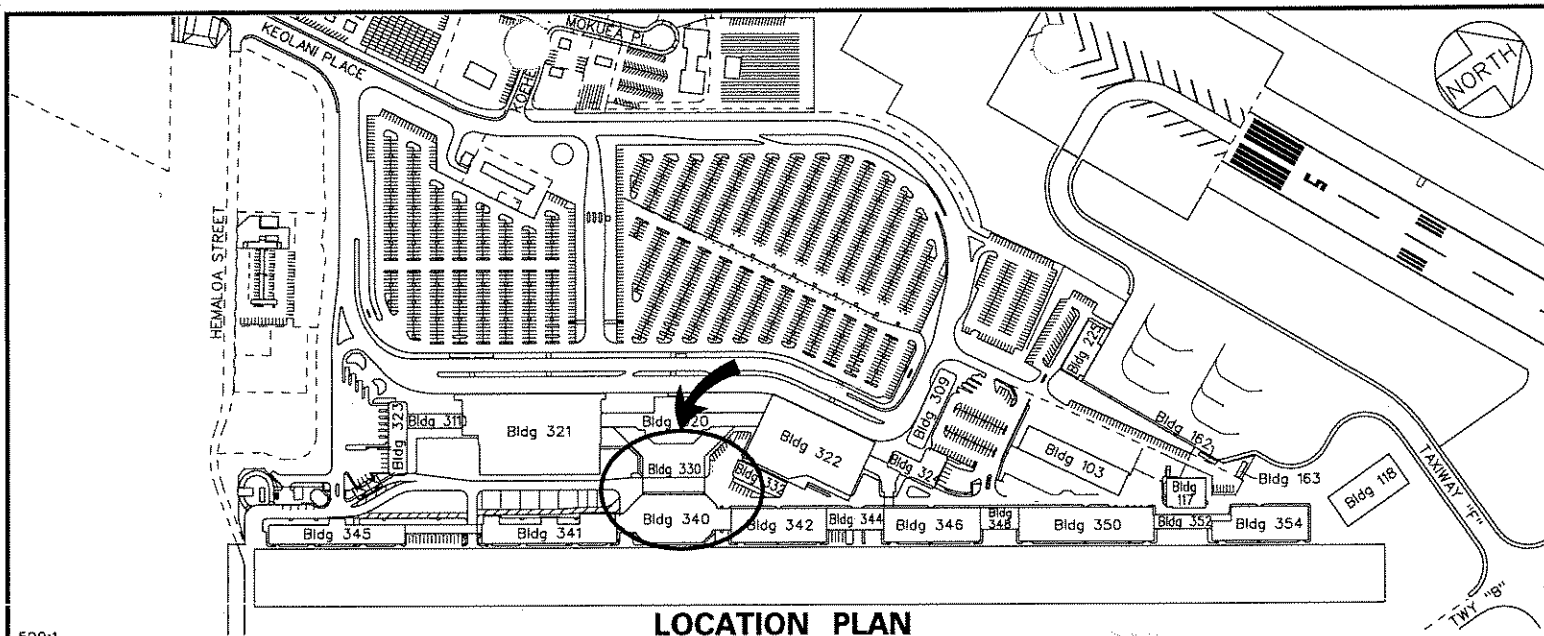
  
PETER T. YOUNG  
Chairperson and Member



DATE: OCTOBER 2005				EXHIBIT: <b>B</b>	
 <u>Airports Division</u>	RETAIL CONCESSION	BLDG 321		321-108A	
		TERMINAL BUILDING GROUND LEVEL		PLATS A1,35	

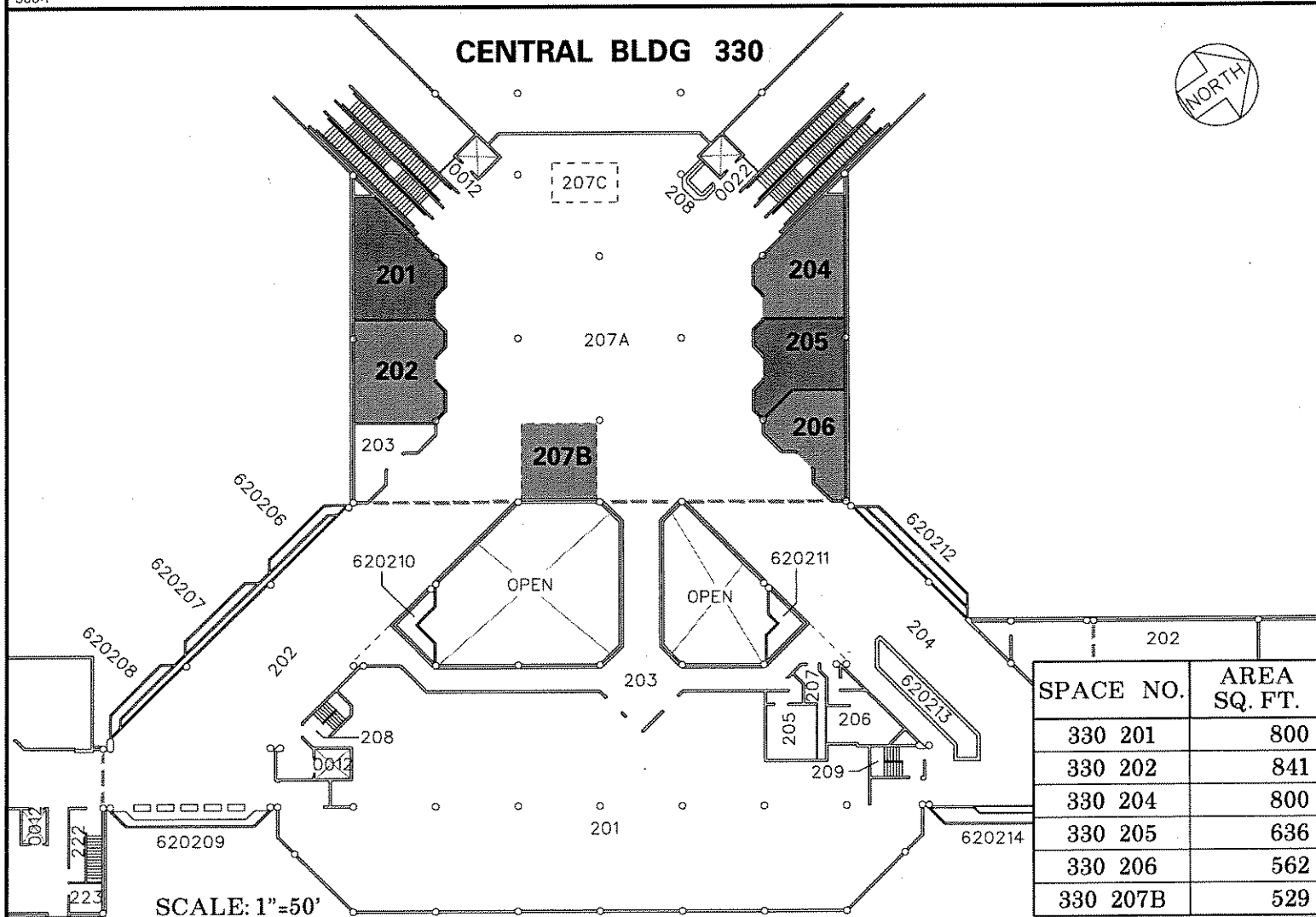
**KAHULUI AIRPORT**

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500-1

LOCATION PLAN



SCALE: 1"=50'

DATE: OCTOBER 2005

EXHIBIT: **C**



Airports Division

RETAIL CONCESSION

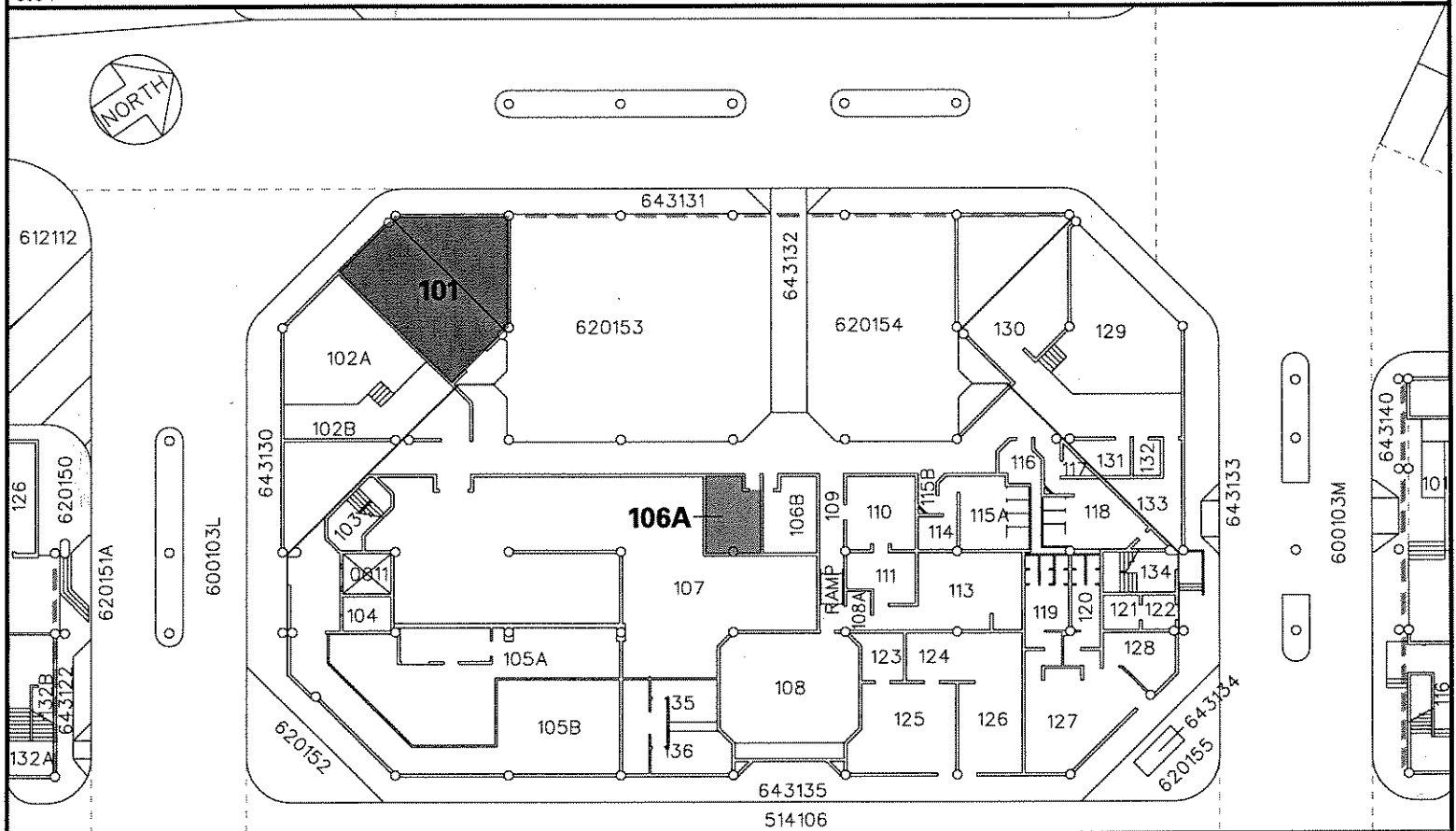
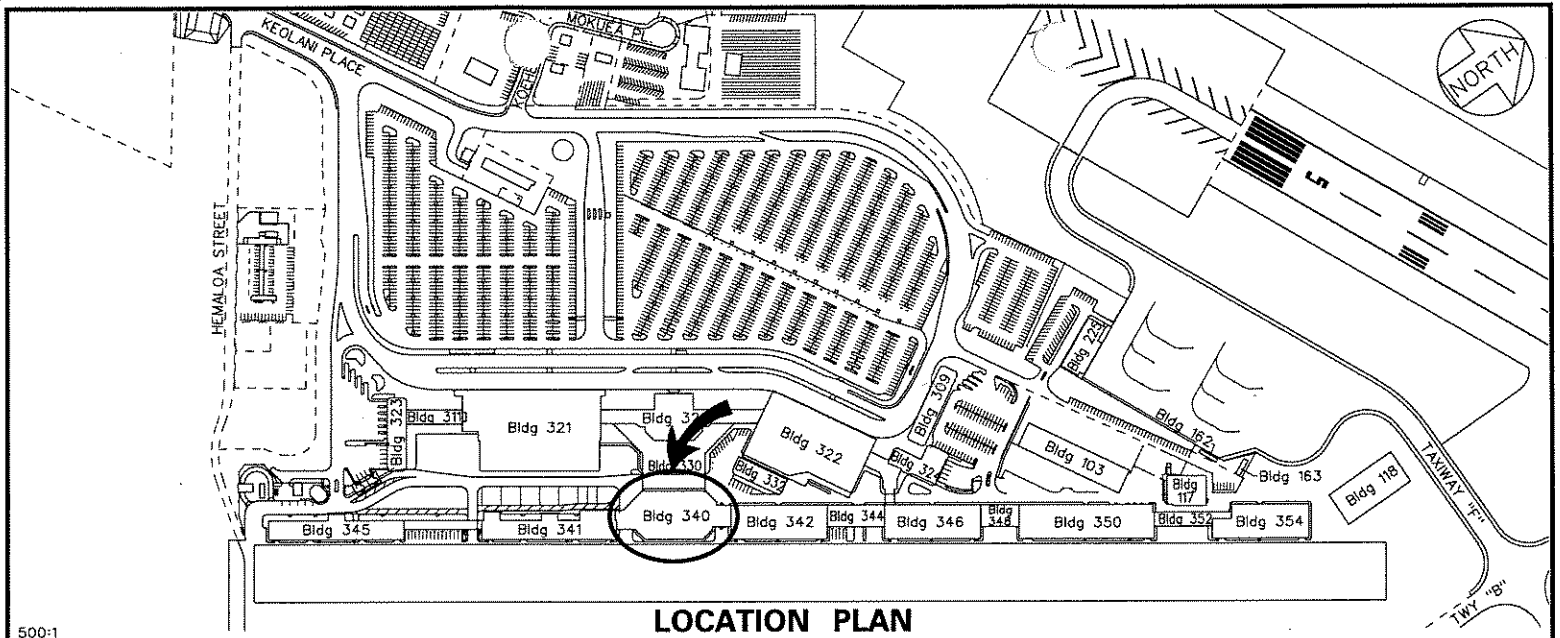
BLDG 330  
TERMINAL BUILDING  
SECOND LEVEL

330-201

PLATS A2, 35

KAHULUI AIRPORT

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SPACE NO.	AREA SQ. FT.
340 101	942
340 106A	210

DATE: OCTOBER 2005

EXHIBIT: **D**



Airports Division

RETAIL CONCESSION

BLDG 340  
TERMINAL BUILDING  
GROUND LEVEL

340-101,  
340-106A  
PLATS A1, 35

**KAHULUI AIRPORT**

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